



MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Senate Finance Committee Chairman Max Baucus (D-Mont.)
Re: legislation on publicly traded partnerships/transition period for currently traded and SEC-filed PTPs

A brief update following the introduction of legislation regarding publicly traded partnerships by Rep. Peter Welch (D-Vt.). The Welch bill, like legislation introduced by Baucus and Finance Ranking Republican Chuck Grassley last week, would require corporate taxation of publicly traded partnerships that derive their income from investment adviser or asset management services. Unlike the Baucus-Grassley bill, it would allow no transition period for firms currently traded or for firms that have already filed with the SEC as to their intention to be traded publicly.

Chairman Baucus has received a great deal of feedback on the Baucus-Grassley bill on publicly traded partnerships from people who feel that the Senators are taking the right approach. A number have said that, in their opinion, the proposed five-year transition period for currently traded and SEC-filed publicly traded partnerships is too long and should be shortened. Chairman Baucus said today that he is open to discussing that possibility.

He will review the House legislation with interest.

Chairman Baucus also stated his intention today to hold two hearings on the topic of carried interest prior to the August recess. Dates have not been set as yet.

More information on the Baucus-Grassley bill can be found on the Finance Committee website at this address:

<http://www.finance.senate.gov/press/Bpress/2007press/prb061407e.pdf>

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